

LEGISLATURE OF THE STATE OF IDAHO  
Sixty-first Legislature First Regular Session - 2011

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 66

BY LUKER

AN ACT

RELATING TO FOOD TAX CREDITS; AMENDING SECTION 63-3024A, IDAHO CODE, TO PROVIDE FOR AN EXCEPTION, TO PROVIDE THAT CERTAIN CREDITS ALLOWED SHALL BE INCREASED UNTIL SUCH TIME AS EACH CREDIT EQUALS NINETY DOLLARS, TO PROVIDE THAT FOR A CERTAIN PERIOD THE AMOUNT OF THE CREDIT SHALL BE NO GREATER THAN THE CREDIT PROVIDED FOR IN TAX YEAR 2011, AND TO PROVIDE THAT BEGINNING JULY 1, 2012, THE CREDIT SHALL BE ADJUSTED; AMENDING CHAPTER 36, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-3622VV, IDAHO CODE, TO PROVIDE FOR AN EXEMPTION TO CERTAIN TAXES.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 63-3024A, Idaho Code, be, and the same is hereby amended to read as follows:

63-3024A. FOOD TAX CREDITS AND REFUNDS. (1) Any resident individual who is required to file and who has filed an Idaho income tax return shall be allowed a credit against taxes due under the Idaho income tax act for each personal exemption for which a deduction is permitted by section 151(b) and (c) of the Internal Revenue Code, and which is claimed on the taxpayer's Idaho income tax return. The amount of the credit for tax year 2008 shall be as follows:

|                               |              |
|-------------------------------|--------------|
| When Idaho taxable income is: | The rate is: |
| \$1,000 or less               | \$50.00      |
| Over \$1,000                  | \$30.00      |

Subject to the limitations provided in subsections (13) and (14) of this section, the credits allowed in this subsection shall be increased by ten dollars (\$10.00) in each tax year after tax year 2008, except for tax year 2012, as provided for in subsection (15) of this section, until such time as each credit equals one hundred ninety dollars (\$190.00).

If taxes due are less than the total credit allowed, the taxpayer shall be paid a refund equal to the balance of the unused credit.

(2) A resident individual who is not required to file an Idaho income tax return and for whom no credit or refund is allowed under any other subsection of this section shall, subject to the limitations of subsections (3), (4), (5), (6), (7) and (8) of this section, be entitled to a refund in the amount provided in subsection (1) of this section.

(3) A resident individual who has reached his sixty-fifth birthday before the end of his taxable year and who has claimed the credit available under subsection (1) of this section, in addition to the amount of credit or refund due under subsection (1) of this section, shall be entitled to twenty dollars (\$20.00), which shall be claimed as a credit against any taxes due under the Idaho income tax act. If taxes due are less than the total credit

1 allowed, the individual shall be paid a refund equal to the balance of the un-  
2 used credit.

3 (4) Except as provided in subsection (9) of this section, a credit or  
4 refund under this section is only available if the individual for whom a per-  
5 sonal exemption is claimed is a resident of the state of Idaho.

6 (5) In no event shall more than one (1) taxpayer be allowed a credit or  
7 refund for the same personal exemption, or under more than one (1) subsection  
8 of this section.

9 (6) In the event that a credit or refund is attributable to any individ-  
10 ual for whom assistance under the federal food stamp program was received for  
11 any month or part of a month during the taxable year for which the credit or  
12 refund is claimed, the credit or refund allowed under this section shall be  
13 in proportion to the number of months of the year in which no assistance was  
14 received.

15 (7) In the event that a credit or refund is attributable to any individ-  
16 ual who has been incarcerated for any month or part of a month during the tax-  
17 able year for which the credit or refund is claimed, the credit or refund al-  
18 lowed under this section shall be in proportion to the number of months of the  
19 year in which the individual was not incarcerated.

20 (8) No credit or refund shall be paid that is attributable to an indi-  
21 vidual residing illegally in the United States.

22 (9) Any part-year resident entitled to a credit under this section  
23 shall receive a proportionate credit reflecting the part of the year in which  
24 he was domiciled in this state.

25 (10) Any refund shall be paid to such individual only upon his making  
26 application therefor, at such time and in such manner as may be prescribed  
27 by the state tax commission. The state tax commission shall prescribe the  
28 method by which the refund is to be made to the taxpayer. The refunds autho-  
29 rized by this section shall be paid from the state refund fund in the same  
30 manner as the refunds authorized by section 63-3067, Idaho Code.

31 (11) An application for any refund that is due and payable under the pro-  
32 visions of this section must be filed with the state tax commission within  
33 three (3) years of:

34 (a) The due date, including extensions, of the return required under  
35 section 63-3030, Idaho Code, if the applicant is required to file a re-  
36 turn; or

37 (b) The fifteenth day of April of the year following the year to which  
38 the application relates if the applicant is not required to file a re-  
39 turn.

40 (12) The state tax commission shall provide income tax payers with the  
41 irrevocable option of donating credited funds accruing pursuant to this sec-  
42 tion. Any funds so donated shall be remitted from the refund fund to the co-  
43 operative welfare fund, created pursuant to section 56-401, Idaho Code, and  
44 shall be used solely for the purpose of providing low-income Idahoans with  
45 assistance in paying home energy costs.

46 (13) The credit adjustment required by subsection (1) of this section  
47 shall not take place if a majority of the membership of each house of the leg-  
48 islature adopts a concurrent resolution requesting that the governor issue  
49 an executive order directing the state tax commission that the credit al-  
50 lowed in this section remain unchanged for the tax year in which the request-

1 ing legislature is meeting, and if the governor concurs and issues such an  
 2 executive order, the credit shall remain unchanged for that tax year.

3 (14) The credit adjustment required by subsection (1) of this section  
 4 for tax years subsequent to tax year 2008 shall not take place if all of the  
 5 following conditions are met:

6 (a) The governor has ordered a temporary reduction of general fund  
 7 spending authority, pursuant to section 67-3512A, Idaho Code, between  
 8 July 1 and October 1 of the tax year for which the credit adjustment is to  
 9 take place; and

10 (b) The temporary reduction of general fund spending authority is still  
 11 in effect on October 1 of the tax year for which the credit adjustment is  
 12 to take place; and

13 (c) The amount of the temporary reduction in general fund spending au-  
 14 thority equals or exceeds one percent (1%) of the moneys that the leg-  
 15 islature has appropriated from the general fund for the fiscal year for  
 16 which the temporary reductions have been ordered; and

17 (d) The governor issues an executive order directing the state tax com-  
 18 mission that the credit allowed by subsection (1) of this section remain  
 19 unchanged for the tax year during which the temporary reduction of gen-  
 20 eral fund spending authority has been ordered and the executive order  
 21 issued.

22 (15) From January 1, 2012, through December 31, 2012, and notwithstand-  
 23 ing any other provision of this section, the amount of the credit provided  
 24 for in this section shall be no greater than the credit provided for in tax  
 25 year 2011. Beginning July 1, 2012, the amount of the credits allowed pur-  
 26 suant to this section shall be adjusted as provided for in subsection (1) of  
 27 this section.

28 SECTION 2. That Chapter 36, Title 63, Idaho Code, be, and the same is  
 29 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
 30 ignated as Section 63-3622VV, Idaho Code, and to read as follows:

31 63-3622VV. RAW OR FRESH FRUITS AND VEGETABLES. There are exempted from  
 32 the taxes imposed by this chapter the sale or purchase at retail of raw or  
 33 fresh fruits and vegetables, sold or purchased in this state. For the pur-  
 34 poses of this chapter, the term "raw or fresh fruits and vegetables" shall  
 35 be interpreted broadly to include edible plants, but shall not include pro-  
 36 cessed fruits and vegetables excluding processing for harvesting, cleaning,  
 37 trimming and fresh packing.